

Valero Energy Corporation  
ANNUAL MEETING OF SHAREHOLDERS  
15<sup>th</sup> May 2024  
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr. Gorder  
Dear Mr. Riggs  
Dear Members of the Board,

DWS Investment GmbH, also acting on behalf of funds of DWS Investment S.A. (incl. SICAVs and PLCs) and certain institutional mandates of DWS International GmbH, all according to delegation agreements (hereafter DWS), is one of the largest asset managers in Europe. As a responsible investor in Valero Energy Corporation, it is part of our fiduciary duty to relay our expectations in the best interest of our clients. Our commitment to sound environmental, social and governance practices (ESG) is a crucial element of our responsibilities and forms an integral part of our investment process.

Ahead of your 2024 annual general meeting of shareholders (AGM), we would like to share our questions with you and would greatly appreciate a written response. Please note that these questions will be posted on our website ([www.dws.com](http://www.dws.com)) on the day of your AGM.

### **Independence**

Qualified, experienced and independent directors are essential for competent and effective decision-making processes at a board and committee level. Having a majority of independent members serving on the board, key committees as well as independent committee chairpersons is important for us to ensure challenging board discussions. According to the DWS Corporate Governance and Proxy Voting Policy, directors whose tenure exceeds 10 years are no longer viewed as independent.

Due to the current board composition and above criteria, it is DWS's view that the overall board and certain key committees lack the necessary majority independence.

**Question 1: When can we expect Valero Energy Company to introduce new directors with fresh perspectives to balance the overall board composition as well as key committees? If not please provide us with your rationale?**

### **Overboarding**

In our opinion, directors should not hold an excessive number of mandates. Directors must ensure that they have sufficient time and capacities to fulfill their board commitments. DWS considers directors overboarded in case they hold more than five external non-executive mandates. An executive or CEO is viewed as overboarded if they hold more than one additional non-executive mandate. Further, due to their extended responsibilities, DWS attributes an additional mandate to members assuming the chair position of the board or

the chair position of the audit committee. In principle, internal board seats are counted as one if they are clearly indicated as such.

Based on their current outside commitments, serving as Audit Committee Chairperson and/or Non-Executive Directors elsewhere, we view H. Paulett Eberhart (6) and Randall J. Weisenburger (6) as overboarded

**Question 2: How does the Company ensure that directors have not overextended themselves and have adequate time to carry out their duties?**

**Question 3: Are overall time commitments of directors a point of consideration for the Nomination and Governance Committee?**

**Question 4: If so, are there any plans in place to reduce the excessive board positions of the above-mentioned directors in the near future?**

### **Auditor**

DWS acknowledges that the objectivity and criticality of auditors can be impeded over time due to long tenure. We expect companies to rotate their auditors after ten years. KPMG LLP, the current audit firm, has a tenure of 20 years.

**QUESTION 5: How do you evaluate and ensure the objectivity and independence of the audit firm after a long tenure? Might you consider a rotation of the audit firm in the near term?**

**QUESTION 6: Would you be willing to commit to a regular audit tender process?**

### **Net Zero**

Corporations and investors play a vital role in addressing the impacts of global warming by assessing the risks and opportunities associated with climate change and greenhouse gas emissions. In this regard, we support the Climate Action 100+ and the Net Zero Asset Managers initiatives enhancing governance of climate change risk, opportunities, curbing emissions and strengthening climate-related financial disclosures.

Valero Energy Corporation has a decarbonization strategy in place, however based on third-party assessments it adequately covers scopes 1 and 2. Valero's strategy does not align with investor expectations for significant emitters on Net Zero by 2050 targets and commitments.

**Question 7: When can we expect the company to set short- and mid- term targets for scope 3 GHG emissions in line with Paris Agreement??**

**Question 8: When can we expect the company to set ambitious net zero GHG emissions targets by 2050 or sooner that covers the most relevant Scope 3 GHG emissions categories for the company's sector? If not, could you specify the key reasons that are currently affecting the company's willingness to make this commitment?**



To conclude, we would like to thank all members of the board and all the employees of Valero Energy Corporation for giving us the opportunity to raise questions at your AGM and already thank you in advance for your answers.